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AP-Oil-CIA by Arthur Spiegelman

NEW YORK, March 20, Reuter - The CIA is in the process of reexamining its controversial estimate that the Soviet Union faces up to a one-third decline in its oil production in 1985.

The agency says that it now has new information outdating past conclusions and a leading U.S. expert on Soviet energy says it has actually concluded Russia has more readily available oil than it thought.

The CIA's original estimate of declining Soviet oil production caused a stir when it became public four years ago along with a prediction that by 1985, the country -- the world's largest oil producer -- would become an oil importer.

Accurate or not, the report's view of faltering Soviet energy supplies and general Soviet economic decline in the 1980s was seen as a guideline for U.S. Soviet policy.

The report's bleak view of Soviet oil production was generally upheld in a 233-page CIA working paper dated September 1977 which became public last week because of a law suit initiated by the American Civil Liberties Union and a consumer group, the Energy Action Educational Foundation. NYDN 1344 AP-Oil-CIA 2 New York

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